

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04  
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R 111410Z MAY 77  
FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC 1849  
INFO USCINCSO  
PANCANAL

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E.O. 11652: N/A  
TAGS: ELAB, PFOR, PN  
SUBJECT: 14TH CONGRESS OF PANAMANIAN DEMOCRATIC LABOR CONFEDERATION

REF: PANAMA A-041

SUMMARY: CTRP, THE PANAMANIAN DEMOCRATIC LABOR CONFEDERATION, HELD ITS 14TH CONGRESS MAY 6-8. MAIN THEME WAS OUTSPOKEN CRITICISM OF RECENT LAW MODIFYING LABOR CODE. LABOR MINISTER ANNOUNCED THAT GENERAL TORRIJOS WISHED CTRP TO INVITE AFL-CIO INTER-AMERICAN REPRESENTATIVE TO PANAMA. SECRETARY GENERAL PHILIP DEAN BUTCHER WAS RE-ELECTED FOR THIRD TWO-YEAR TERM. SEPTTEL REPORTS DEVELOPMENTS RELATING TO FORTHCOMING ILO CONFERENCE IN JUNE. END SUMMARY.

1. CTRP SECRETARY-GENERAL PHILIP DEAN BUTCHER WAS RE-ELECTED TO A THIRD TWO-YEAR TERM; DESPITE SOME EARLIER HINTS, NO SERIOUS OPPOSITION MATERIALIZED. THERE WAS SOME FRICTION--FAR FROM UNUSUAL--IN OTHER ELECTIONS, BUT BULK OF EXECUTIVE BOARD REMAINED ESSENTIALLY THE SAME. SECRETARY OF EDUCATION RICARDO MONTERREY WAS ALSO RE-ELECTED FOR TWO MORE YEARS.

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2. THEMES OF CONGRESS WERE 1) OPPOSITION TO LAW 95 OF DECEMBER 31, 1976 (WHICH MODIFIED LABOR CODE TO DISADVANTAGE OF ORGANIZED LABOR; SEE REFAIRGRAM) AND 2) SUPPORT FOR A NEW CANAL TREATY. ON LATTER POINT RESOLUTIONS FULLY ENDORSED GOP POSITION ON NEGOTIATIONS.

3. CONGRESS RESERVED ITS REAL ENTHUSIASM FOR CRITICISM OF LAW 95.

IN SATIRICAL SONGS, RESOLUTIONS, IMPASSIONED SPEECHES BROKEN BY ENTHUSIASTIC APPLAUSE, AND SARCASTIC INTERJECTIONS DURING LABOR MINISTER AHUMADA'S MESSAGE, DELEGATES FLAUNTED THEIR HOSTILITY TO THIS MEASURE. THEY BITTERLY CLAIMED THAT THIS GOP 'SELL-OUT' TO PRIVATE SECTOR HAD NOT WORKED--UNEMPLOYMENT WAS STILL ACUTE, BUSINESSES WERE STILL CLOSING AND THE RESUMPTION OF PRIVATE INVESTMENT WHICH THE NEW LAW WAS SUPPOSED TO PRODUCE HAD SIMPLY NOT ARRIVED. AIFLD CPD (WHO WAS NAMED BY AFL-CIO AS ITS REPRESENTATIVE AT CONGRESS) LATER REMARKED THAT IN TEN YEARS IN LATIN LABOR, HE HAD NEVER SEEN A GOVERNMENT POLICY SO OPENLY CASTIGATED IN FRONT OF THE CONCERNED GOVERNMENT OFFICIALS. AT THE CLOSING SESSION (WHICH LABOR MINISTER DID NOT ATTEND), SECRETARY GENERAL BUTCHER PLEDGED CTRP TO A STRUGGLE AGAINST WHAT HE WARNED MIGHT BE BECOMING PANAMA'S "NEW OLIGARCHY".

4. BY THE TIME OF HIS MESSAGE TO THE OPENING SESSION, AHUMADA WAS VISIBLY UNAMUSED BY THIS DRUMFIRE OF CRITICISM. CRITICS SHOULD RECALL, HE RETORTED THAT IN MANY COUNTRIES, SUCH CRITICISM OF GOVERNMENT POLICIES MIGHT RESULT IN JAILINGS OR BODIES ON THE STREET. HE DEFENDED GOP POLICY ON ECONOMIC GROUNDS AND CALLED ON LABOR TO UNITE WITH BUSINESS AND GOVERNMENT TO REVITALIZE THE COUNTRY'S ECONOMY. HE DID NOT APPEAR TO CONVINCE ANYONE.

5. ALTHOUGH A MEMBER OF PANAMA'S NEGOTIATING TEAM, AHUMADA DEVOTED LITTLE TIME TO NEGOTIATIONS. HE SAID PANAMA WOULD SEE AT THE CURRENT NEGOTIATING ROUND WHETHER THE UNITED STATES HAD YET MADE THE FUNDAMENTAL POLITICAL DECISION TO HAVE A NEW LIMITED OFFICIAL USE

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TREATY WITH PANAMA. IF PANAMA DID NOT OBSERVE SUCH A POLITICAL DECISION, GHE GOVERNMENT HOPED FOR AND EXPECTED THE UNIFIED SUPPORT OF LABOR AND THE NATION FOR WHATEVER POLICY IT MIGHT ADOPT. (SEE FBIS/PANAMA PA 071757Y FOR EXCERPTS OF AHUMADA STATEMENT.)

6. AHUMADA NOTED THE SUPPORT OF AMERICAN WORKER FOR PANAMA'S ASPIRATIONS, AS MOST RECENTLY EXPRESSED IN THE JOINT AFL-CIO/CTRP RESOLUTION APPROVED BY ORIT. HE PAID PARTICULAR TRIBUTE TO AFL-CIO INTER-AMERICAN REPRESENTATIVE ANDREW MCLELLAN AS A DISTINGUISHED TRADE UNIONIST, AND ANNOUNCED THAT HE HAD BEEN DIRECTED BY TORRIJOS TO REQUEST THAT THE CTRP INVITE MCLELLAN TO VISIT PANAMA AND MEET WITH THE GENERAL AS SOON AS CONVENIENT. BUTCHER TOLD EMBASSY LABOR OFFICER HE HAD BEEN INFORMED OF THIS JUST PRIOR TO AHUMADA'S MESSAGE AND THAT HE INTENDED TO TELEPHONE MCLELLAN SHORTLY TO CONVEY THIS INVITATION.

7. COMMENT: IN THE VIEW OF INVITED OBSERVERS AND A SAMPLING OF

DELEGATES, THIS CONGRESS WAS ON THE WHOLE A SUCCESS FOR THE CTRP. OBSERVERS SAID THEY WERE IMPRESSED WITH THE QUALITY OF DISCUSSION IN CONGRESS WORK SESSIONS. DOMINANT IMPRESSION WAS IMPLACABLE HOSTILITY TO LAW 95. ORGANIZED LABOR CONTINUES TO BE VERY, VERY UPSET. ALTHOUGH POWERLESS TO CHANGE THE LAW, IT HAS BECOME NOT AT ALL RESPECTFUL IN VOICING OUTSPOKEN CRITICISM EVEN IN FRONT OF LABOR MINISTER HIMSELF.

8. EMBOFF VOLUNTEERED TO ONE OBSERVER--A FORMER LABOR MINISTER AND "ELDER STATEMAN" OF THE CTRP--THAT AHUMADA AND GOP IN GENERAL OUGHT NOT TO BE SUPRISED BY THIS ATTITUDE BUT THAT IT ALMOST APPEARED THAT THEY WERE. SOURCE, WHO RETAINS HIS CONTACTS WITH AHUMADA AND GOP, AGREED. HE SAID GOP NOW INCLUDES NO ONE--INCLUDING AHUMADA--WITH ANY GREAT EXPERIENCE IN UNION AFFAIRS. THIS OBSERVER FELT THAT GOP HAD FAILED TO APPRECIATE HOW DEEP LABOR OPPOSITION WOULD BECOME. NOW, GOP WAS STUCK WITH THE SITUATION AND APPEARED NOT TO KNOW WHAT COULD BE DONE

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ABOUT IT.

9. PER REQUEST OF AIFLD CPD/PANAMA, SUGGEST THAT DEPARTMENT SHARE FOREGOING MESSAGE WITH AIFLD/WASHINGTON. AIRGRAM FOLLOWS.

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## Message Attributes

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